

CAZON  
CC 140  
- F77

Government  
Publications



# Board of Funeral Services Conseil des services funéraires

A N N U A L R E P O R T

1 9 9 3





Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

<https://archive.org/details/31761114684491>

A N N U A L   R E P O R T

1 9 9 3



## **BOARD MEMBERSHIP**

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration which had a history dating back to 1914.

The *Funeral Directors and Establishments Act* requires that the Board shall be composed of eleven members, five funeral directors and five public persons and one person who is either a funeral director or public member. All members are appointed by the Lieutenant Governor in Council.

### **MEMBERS OF THE BOARD OF FUNERAL SERVICES - 1993**

Chair	David Lester	Cobourg
Vice-Chair	Doug Porter	Toronto
Past-Chair	Barbara Beck *	Peterborough
	Gary Carmichael * (1993)	Toronto
	Pearl Davie *	Hamilton
	Gordon Monk	Minden
	Alex Munroe	Toronto
	Stephen Speisman *	Thornhill
	Allan Cole +	Toronto
	Stewart Smith **	Toronto
	Karen Trace *	Scarborough

\* Denotes Public Member

+ Appointed late in 1993

### **BOARD STAFF - 1993**

Registrar	Alison M. Reynolds
Executive Secretary	Susan J. Beck
Administrative Inspector	Sheila M. Nunn
Inspectors	Joseph Richer Susan Bradley
Secretary-Receptionist	Rose-Hélène Trenholm

### **LEGAL COUNSEL**

Donald Posluns	Porter, Posluns & Harris
Richard Steinecke	Barristers & Solicitors

### **AUDITOR**

John Mayhue	Harris & Wright
-------------	-----------------



## FUNCTIONS OF THE BOARD OF FUNERAL SERVICES

The *Funeral Directors and Establishments Act* establishes a self-governing body to administer the Act and regulate the practices of funeral directors, funeral service establishments and transfer services in accordance with the Act and the Regulations in order that the public interest may be served and protected.

The Board is responsible for the review of the operation of this Act and the Regulations and for making recommendations to the Minister of Consumer and Commercial Relations thereon. The Board approves or sets courses of study and examinations for the qualification of applicants for licensure.

The principal object of the Board is to regulate the practices of funeral directors and persons who operate funeral establishments and transfer services in accordance with this Act, the regulations and the by-laws in order that the public interest may be served and protected.

The Board's additional objects are:

- To establish, maintain and develop standards of knowledge and skill among funeral directors and persons who operate funeral establishments and transfer services,
- To establish, maintain and develop standards of qualification and standards of practice for funeral directors and persons who operate funeral establishments and transfer services,
- To establish, maintain and develop standards of professional ethics among funeral directors and persons who operate funeral establishments and transfer services,
- To administer the Compensation Fund,
- To oversee and inspect trust accounts that funeral establishments and transfer services are required by law to establish or maintain,
- To mediate complaints between consumers and licensees, and
- To establish and develop standards for funeral establishments.

The *Funeral Directors and Establishments Act* establishes five standing committees - Executive, Licencing, Complaints, Discipline and Compensation Fund Committee.



## **REPORT OF THE CHAIRMAN**

**DAVID LESTER**

As Chairman of the Board of Funeral Services, I am pleased to be able to submit this report on the activities of the Board over the past year. In my opinion the past year can be described as a watershed year with accomplishments for which each member of the Board can justly be proud. There are several areas on which I would like to focus.

The Board of Funeral Services has now reached a workable level of comfort with the legislation. Previously, when the legislation was still unfamiliar and untested, the Board experienced problems beyond those which normally accompany the administration of regulatory activity. I am pleased to observe that the Board, now familiar and comfortable with the legislation is administering it with greater ease and effectiveness. I do not mean to imply that problems within the profession relating to legislation have ceased to appear. New challenges, as yet unthought of will continue to present themselves; however, the Board is now well prepared to face these challenges with confidence.

This past year Price Waterhouse submitted a report based on their audit of the Board's operation conducted over the previous few months. I believe that the Board has ceased to feel threatened by this report and has begun to see its inherent benefit. As a result of this report, the Board has begun to recognize the power and freedom it really does have to determine and control its own direction within the parameters of the legislation. The Board is in a position to make choices; to choose directions; to make changes; to establish priorities; etc. This Price Waterhouse review does not threaten the autonomy of the Board; rather it helps to illuminate the opportunities the Board really has. It is an exciting time for the Board as the members take hold of this knowledge. The challenge now ahead, and one which I believe can be met is to sift through the specifics of the report and make good choices. To this end, the Board has begun a strategic planning process. Careful assessment of priorities, the development and implementation of a statement of shared goals and values and an analysis of its environment are all part of this exercise. When this process is complete, the Board will be well positioned to face the challenges which lie ahead.

This year the Board experienced fewer than anticipated discipline hearings. Coupled with a conscientious effort on the part of the staff to minimize expenses, this has permitted the Board to end the year in a sound financial situation. As a result the Board has been able to establish a modest reserve fund.



The Board has worked hard over the past year to improve its rapport with its various stakeholders. I am proud to say that significant strides have been made in this area. The Board demonstrated a more consultative approach to issues and I am convinced that this style will meet with even greater success in the future.

The Board of Funeral Services is a dedicated group of funeral directors and public members. Together with a conscientious staff they are committed to ensuring the excellent delivery of funeral and transfer services in the Province of Ontario. It is a privilege to serve as chair for such an organization.



## **REPORT OF THE REGISTRAR**

**ALISON M. REYNOLDS**

1992-1993 was a year of projects and accomplishments for the Board.

In an effort to improve the flow of communication to the profession, the Board developed a publication which contained their policies and positions on a variety of issues. The "Policy Book" was distributed to every licensee. In addition, three newsletters were distributed during the year and all were well-received by the profession.

Disseminating information to the public is of equal importance. We continued to receive requests for our brochure - approximately 2,000 during the past year. In addition, approximately 1,000 calls from the public required the appropriate follow up.

Each year the Board budgets funds for staff education. The staff this year utilised the funds to advantage in courses on computer programs, investigations, translation and French. In an effort to facilitate the handling of consumers' problems, the staff received instruction in alternative dispute resolution. It proved to be an effective tool and work has been started on a program which, when approved by the Board, will enable the procedures to be applied to formal complaints.

In Ontario, funeral directors have always been trained at Humber College. The commencement of the French Language Program at Cambrian College in Sudbury added an exciting new dimension this year and I have thoroughly enjoyed my role as a member of the Advisory Committee.

During the 1992-1993 year, the Board continued its regular inspections of funeral homes and transfer services. Last year there were approximately 560 million dollars in trust in Ontario for approximately 115,000 prepaid funeral contracts. This is but one reason that our inspections are so important.

The order of inspections is not random but is rather based on logical criteria such as the following:

- a) \* new establishments in preparation for licencing,
- b) \* funeral homes where staff have been the subjects of discipline hearings,
- c) \* funeral homes who employ staff who have been the subject of complaints,



- d) \* funeral homes where an inspection and/or assistance has been requested, and
- e) \* by order of the last inspection date

Inspections are always unannounced and cover the premises, equipment and facilities, books, records and trust accounts pertaining to prepaid services. A thorough system is used so that inspections are conducted in a consistent manner throughout the province. In addition to a thorough inspection of the premises to ensure that requirements under the *Funeral Directors and Establishments Act* are being fulfilled, there is an inspection of a random sample of the past funeral files, both those arranged at the time of need and those that were prearranged. A sample of prepaid contracts is checked for appropriate details and valued as to principal and accrued interest. Bank confirmations are obtained from the institutions where the prepaid trust funds are deposited.

182 routine inspections were carried out during the past year. In most of these inspections, minor problems of varying kinds were found but only one warranted the referral of the responsible funeral director to the Discipline Committee for a hearing.

The inspections demonstrated that most funeral directors and transfer service operators have adjusted to and are now in compliance with the *Funeral Directors and Establishments Act*.

The inspectors have taken on an additional role - that of educators. When appropriate, the inspectors spend time with funeral home and transfer service staff, assisting them in understanding and complying with the Act and the regulations.

The number of transfer services in Ontario has increased to ten. The transfer service operator's course started this year at Humber College and one would expect that number to increase in the next year or two.

We receive increasing numbers of inquiries from individuals wishing to provide for the disposition of bodies in ways which are not contemplated by the current legislation. This Board and successive Boards will have to continue to maintain the flexibility to encompass new ideas while safeguarding the public within the framework of the law.



## REPORT OF THE COMPENSATION FUND COMMITTEE

### PEARL DAVIE

In 1993-94, the COMPENSATION FUND COMMITTEE was composed of:

- Pearl Davie, Chair\*
- Doug Porter\*
- Alex Mansfield (to June, 1993)

\* indicates current members of the Committee

The Compensation Fund, administered by the Board of Funeral Services, was established to provide compensation in the event of misappropriation of trust monies.

Meetings of the Committee were held in the months of November 1992, and January, March, May, July, September and October 1993, with further consultations as necessary.

Determination of pay-outs on defalcations was based on the requirements of the legislation and on previously agreed criteria. Pay-outs approved in 1992-93 of \$193,783.00 clearly indicate an ongoing need for a Compensation Fund in Ontario.

Administration costs include the daily administration of the Fund by Board of Funeral Services office and staff, the Canada Trust Trustee fee, the Harris and Wright Audit fee and legal fees related to the Fund by Porter, Posluns and Harris, totalling in all \$16,752.00, which is approximately 3.7% of the total revenue of \$450,086.00 for the year.

Funeral levies for the year totalled \$373,695.00, with investment income of \$76,391.00, resulting in \$239,551.00 excess of revenue over expenditures, and bringing the Fund total to \$1,009,750.00. [Market value]

As the legislation requires that levies be paid in until the balance in the Fund reached \$1 million, funeral directors were advised in July 1993 that the levy would be discontinued. If at any time in the future it is anticipated the balance will fall below \$500,000.00, the levies will be resumed.

Information has been received from Revenue Canada that the income from investments of the Fund is not taxable, although Provincial sales tax was charged on levies paid into the fund after July 1, 1993.

The Committee very carefully assesses the expenditures from the Fund and feels it provides a valuable protection for consumers in Ontario.



## REPORT OF THE COMPLAINTS COMMITTEE

DR. STEPHEN SPEISMAN

The 1993 Complaints Committee was established as follows:

- Dr. Stephen Speisman - Chairman
- David Lester
- Andrew Doyle (to May 31, 1993)

The Committee was short one member for the balance of the year as the Board awaited new appointees.

The Complaints Committee met as necessary to review written complaints received by the Board regarding the conduct or actions of funeral directors.

Forty-one complaints were received for resolution during the past year. Of these, twelve were informally resolved and twenty-nine were placed before the Complaints Committee. In each case the Committee carefully reviewed the letter of complaint, the funeral director's response and the notes of the Board's investigator and gave serious consideration to the entire matter.

Decisions are pending on sixteen complaints. In these cases the complaints were received in the latter part of the year and are still under investigation.

Of the remaining thirteen complaints, five involved excessive charging. In three of the cases, adjustments were made to the invoices at the direction of the Committee. In the remaining two cases, the Committee determined that no complaint was warranted.

Five complaints involved unprofessional behaviour or comments on the part of funeral directors. The allegations included inappropriate methods of collecting accounts and insensitivity in dealing with clients. One case was resolved by a letter of apology. In another, the funeral director received an admonition from the Committee. In the remaining cases the Committee determined that action against the respective funeral directors was not necessary.

The Committee received one complaint regarding improper advertising. The Committee decided that no action should be taken against the funeral director. The complainant has appealed the decision to C.R.A.T.

A complaint was received in which the family of a deceased person alleged that the funeral director had arranged for cremation without proper authority. The Committee determined that there was no basis for complaint.



The Committee received a complaint in which a funeral director had refused to forward a copy of his price list to another funeral director. The former was admonished to do so.

The Board attempts to make the public aware of the complaints process that is set out by the *Funeral Directors and Establishments Act*. This information is given out to the many members of the public who call the Board office throughout the year and through the Board's general information brochure.

The Board's brochure is available, at no charge, directly from the Board and from the licensed funeral homes throughout the province. As well, many public service agencies, self-help groups and schools stock the brochure.

As Chair, I wish to thank the other Committee members and the staff who have worked diligently in the cause of consumer protection.



## **DISCIPLINE COMMITTEE REPORT**

**BARBARA BECK**

The Committee Members for 1993 were:

- Barbara Beck - Chairman
- Alex Munroe
- Stewart Smith
- Gordon Monk
- Gary Carmichael (to June, 1993)

The following matters were heard by the Discipline Committee during 1993. I will give an outline of the allegations, the findings and the penalty in each case.

1. Mr. Michael MacIntyre was charged with professional misconduct for burying amputated limbs from a hospital with bodies being buried by the funeral home, improperly signing the name of clients on contracts and various other matters of non-compliance including improper charging.

A hearing was held before the Discipline Committee of the Board of Funeral Services on December 7, 1992. Mr. MacIntyre was found guilty of professional misconduct.

The penalty imposed was a suspension of Mr. MacIntyre's licence for the period of one year, a recorded reprimand and a condition on Mr. MacIntyre's licence that he not manage or direct an establishment for a period of three years and that the establishment with which he is associated not accept an apprentice for a period of three years.

2. Mr. James Sorbie was charged with professional misconduct. The allegations were that he did not pay a fine ordered by the Discipline Committee at a previous hearing and that he submitted cheques as payment of the fine which were not cleared by the bank.

A hearing was held on December 7, 1992. Mr. Sorbie was found not guilty by the Committee.

3. A funeral director was charged with professional misconduct for conducting an unauthorized removal and embalming of a dead body and for issuing a document that the funeral director knew or ought to have known was false.

A hearing was held before the Discipline Committee on April 28, 1993. The funeral director was found guilty of professional misconduct.



The penalty in this case was a recorded reprimand and a three month suspension of the funeral director's licence.

4. Mr. Blair Meecham was charged with professional misconduct for improperly removing a leather jacket from a deceased person, knowing that the jacket was to be buried with the deceased and retaining the jacket for his own purposes.

A hearing was held on May 25, 1993. Mr. Meecham was found guilty of professional misconduct.

Mr. Meecham's penalty was a suspension of his licence for a period of three months, a fine of \$500.00 to be paid within 60 days and a recorded reprimand.

5. Mr. Brian Riley was charged with professional misconduct for improperly removing a leather jacket from a deceased person, knowing that the jacket was to be buried with the deceased and retaining the jacket for his own purposes.

A hearing was held on May 25, 1993. Mr. Riley was found guilty of professional misconduct.

Mr. Riley's penalty was a \$500.00 fine to be paid within 60 days and a recorded reprimand.

6. Mr. William Dunlop was charged with professional misconduct and incompetence for being under the influence of various drugs and alcohol while practising as a funeral director, arranging for the purchase and sale of drugs at the funeral home, cultivating marijuana at the funeral home and for a criminal conviction of possession of marijuana.

A hearing was held before the Discipline Committee on September 21, 1993. Mr. Dunlop was found guilty of professional misconduct and incompetence.

The penalty imposed was a recorded reprimand, a restriction on the licence of Mr. Dunlop that he not be permitted to act as a managing director of a funeral home for a period of two years from the date of the order, a suspension of his licence for a period of six months and that the imposition of any further penalty be suspended upon the following terms: that Mr. Dunlop attends a 28 day treatment program, that he receives follow-up assessments and random drug testing for a period of two years and that he abstain completely from the use of any drugs other than those prescribed.



## LICENCING COMMITTEE

### GORDON A. MONK

The Committee Members for 1993 were:

- Gordon Monk - Chairman
- Allan Cole
- Karen Trace

There are 1,417 active licencees, 607 inactive status and 30 Emeritus status. There are 525 funeral homes serving the public and 3 licenced establishments not providing services to the public. There are 10 transfer services operating in Ontario

In 1993, 83 students were successful in passing the licencing examination. The licencing exams were held in June with re-writes held on December 1, 1993. Three candidates tried the exam to reinstate their licence from inactive to active status and one out-of-province candidate passed the licencing exam.

Professional Development was held in April at Toronto and at Thunder Bay in September. Course questionnaires indicated the seminars were well received.

In 1993, the Funeral Services course was initiated in the French language by Cambrian College in Sudbury. Students from this course will be required to come to Toronto to try the licencing examinations after completion of their apprenticeship.

Humber College also now offers the Transfer Services Operators course; this is a correspondence course only and at completion of the course a licencing examination will be required.

In 1993, a program was instituted wherein a member of the Licencing Committee meets with each apprentice and their respective employers. A guideline for training the apprentices was initiated and distributed as there exists concern that not all students were receiving adequate exposure in arranging and conducting funerals. There is provision in the Act to insure students are properly trained and where this does not occur necessary action will be taken.

There is active participation by the Chair of the Licencing Committee on the Humber College Advisory Board. The Advisory Board is currently reviewing the funeral services course of studies in an effort to upgrade the content.



The Registrar and Licencing Committee will meet early in 1994 with the instructors at Humber College and Cambrian College to discuss exam revisions and course upgrades. The Licencing Committee is most appreciative of the input and assistance of the staff over the 1993 year.



## **BOARD MEETINGS**

The Board of Funeral Services and its Committees met for 29 days in 1993. In addition, Board business was transacted 2 times by conference call.

## **PHYSICAL PLANT**

The offices of the Board of Funeral Services are located at:

Suite 1609  
415 Yonge Street  
Toronto, Ontario  
M5B 2E7

Telephone: 1-416-979-5450  
Toll Free: 1-800-979-4458  
Fax Number: 1-416-979-0384

There are three years remaining on a ten year lease.



Board of Funeral Services  
(Under the Funeral Directors and Establishments Act, 1989)

Year ended October 31, 1993

Contents

Auditors' Report	1.
Balance Sheet	2.
Statement of Revenue and Expense	3.
Statement of Surplus	4.
Statement of Changes in Financial Position	5.
Notes to the Financial Statements	6.



# HARRIS & WRIGHT

CHARTERED ACCOUNTANTS

N. S. WRIGHT, C.A.  
J. R. MAYHUE, B.COM., C.A.

TELEPHONE 924-1157  
FAX: 924-2523

SUITE 907, 40 ST. CLAIR AVENUE EAST  
TORONTO, ONTARIO M4T 1M9

## Auditors' Report to the Directors of the Board of Funeral Services

We have audited the balance sheet of the Board of Funeral Services as at October 31, 1993 and the statements of income and expense, surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects the financial position of the Board as at October 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Toronto, December 8, 1993

*R. L. Wright, C.A.*  
Chartered Accountants



Board of Funeral Services  
(Under the Funeral Directors and Establishments Act, 1989)

Balance Sheet  
October 31, 1993

Comparative  
1992

ASSETS

Current assets:

Cash and bank .	\$ 42,758	\$ 150
Certificates of deposit	325,726	75,632
Accounts receivable	12,386	7,197
Prepaid expense	<u>11,698</u>	<u>9,151</u>
	<u>\$392,568</u>	<u>\$ 92,130</u>
Cash held in Trust	<u>\$ 2,995</u>	<u>\$ 2,974</u>

Fixed assets at cost:

Office furniture and equipment	\$103,477	\$ 83,420
Leasehold alterations	<u>21,406</u>	<u>21,406</u>
	<u>124,883</u>	<u>104,826</u>
<u>Less - accumulated depreciation</u>	<u>62,849</u>	<u>49,792</u>
	<u>62,034</u>	<u>55,034</u>
	<u>\$457,597</u>	<u>\$150,138</u>

LIABILITIES

Current liabilities:

Bank overdraft	\$ 16,811	
Accounts payable and accrued liabilities	\$ 59,988	18,806
Deferred license fee revenue	181,625	125,903
Payroll and sales taxes payable	<u>6,970</u>	<u>7,080</u>
	<u>\$248,583</u>	<u>\$168,600</u>
Trust reserves - cash held in trust	2,995	2,974
Reserve for future disciplinary costs (Note 5)	150,000	
Surplus (deficit)	<u>56,019</u>	<u>(21,436)</u>
	<u>\$457,597</u>	<u>\$150,138</u>



Board of Funeral Services  
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Revenue and Expense  
Year ended October 31, 1993

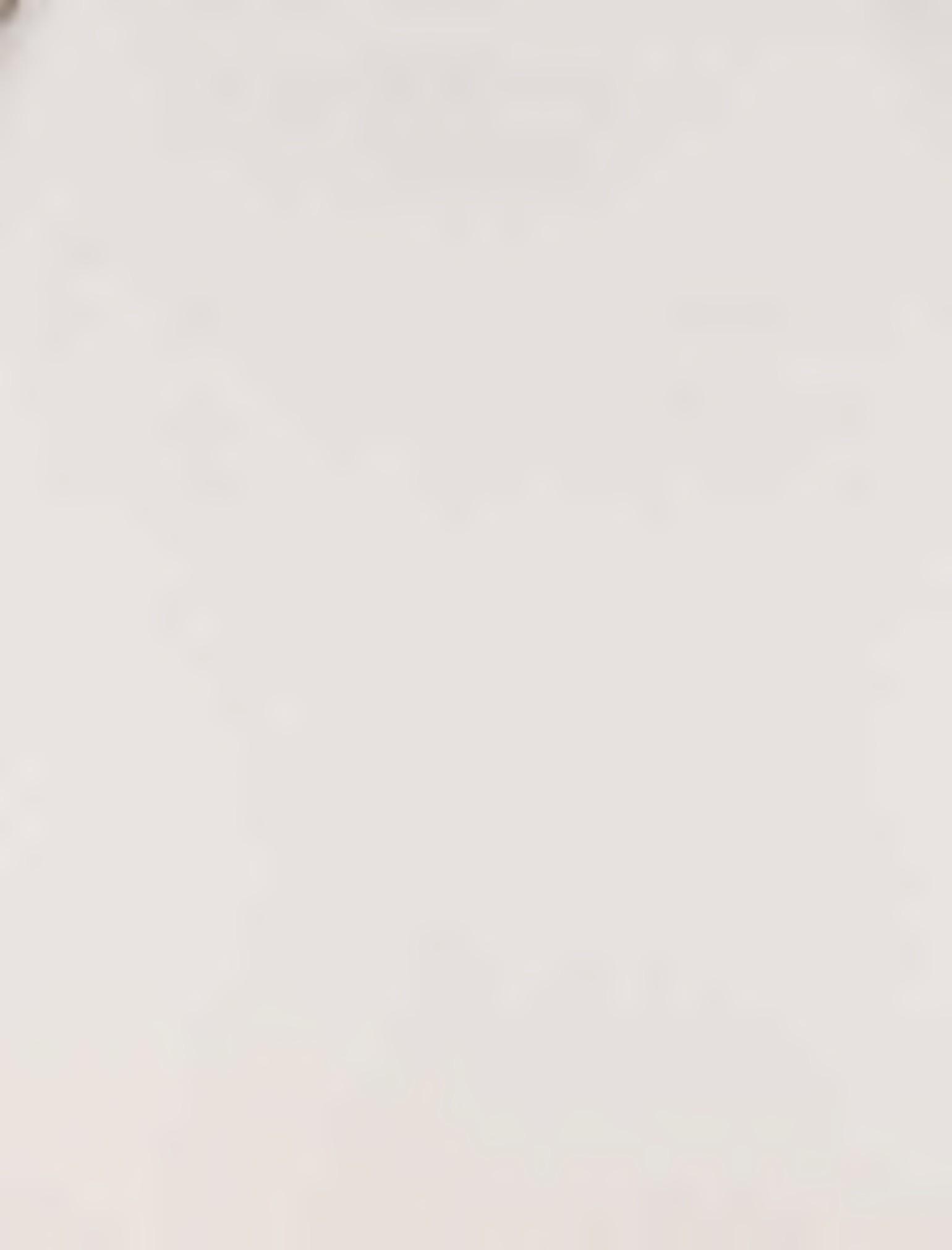
	<u>Comparative</u>	<u>1992</u>
<b>Revenue:</b>		
Funeral Directors' licence fees	\$ 284,135	\$161,775
Funeral Establishments' licence fees	711,172	491,390
Transfer service licence fees	8,826	4,577
Student registration fees	5,350	4,850
Student examination fees	13,950	11,200
Post graduate course fees	49,966	45,189
Interest on investments	29,912	20,510
Expense recoveries - compensation fund	6,000	6,000
Other	3,471	2,605
Reimbursement - M.C.C.R.	<u>10,609</u>	<u>11,902</u>
	<u>\$1,123,391</u>	<u>\$759,998</u>
<b>Expense:</b>		
Board and Committees:		
Board	\$ 36,834	\$ 21,359
Committees - Note 2	18,884	15,063
Per diem	20,724	19,176
Legal - discipline and complaints	151,518	258,722
Inspections	64	56
	<u>\$ 228,024</u>	<u>\$314,376</u>
Administrative and general:		
Audit	\$ 13,003	\$ 13,369
Computer consulting and supplies	10,497	7,454
Cost of conducting post-graduate courses	48,460	33,644
Depreciation	13,057	11,051
Employee benefits	33,744	28,605
Examination supplies and expense	6,257	4,921
Insurance	6,568	6,296
Legal - general	14,060	11,720
Membership	976	161
Personnel recruitment	2,455	276
Postage	20,086	12,579
Printing, stationery and supplies	21,795	19,210
Program review	45,422	
Rent	76,879	79,249
Salary - full time	263,868	244,223
Salary expense - temporary	589	1,717
Sundry office expense	8,138	7,660
Telephone	26,388	22,618
Travel	50,711	38,159
Staff training	3,226	
Translations	1,733	2,192
	<u>\$ 667,912</u>	<u>\$545,104</u>
Total expense	<u>\$ 895,936</u>	<u>\$859,480</u>
Net income (loss) for year	<u>\$ 227,455</u>	<u>\$ (99,482)</u>



Board of Funeral Services  
(Under the Funeral Directors and Establishments Act, 1989)

**Statement of Surplus (Deficit)**  
Year ended October 31, 1993

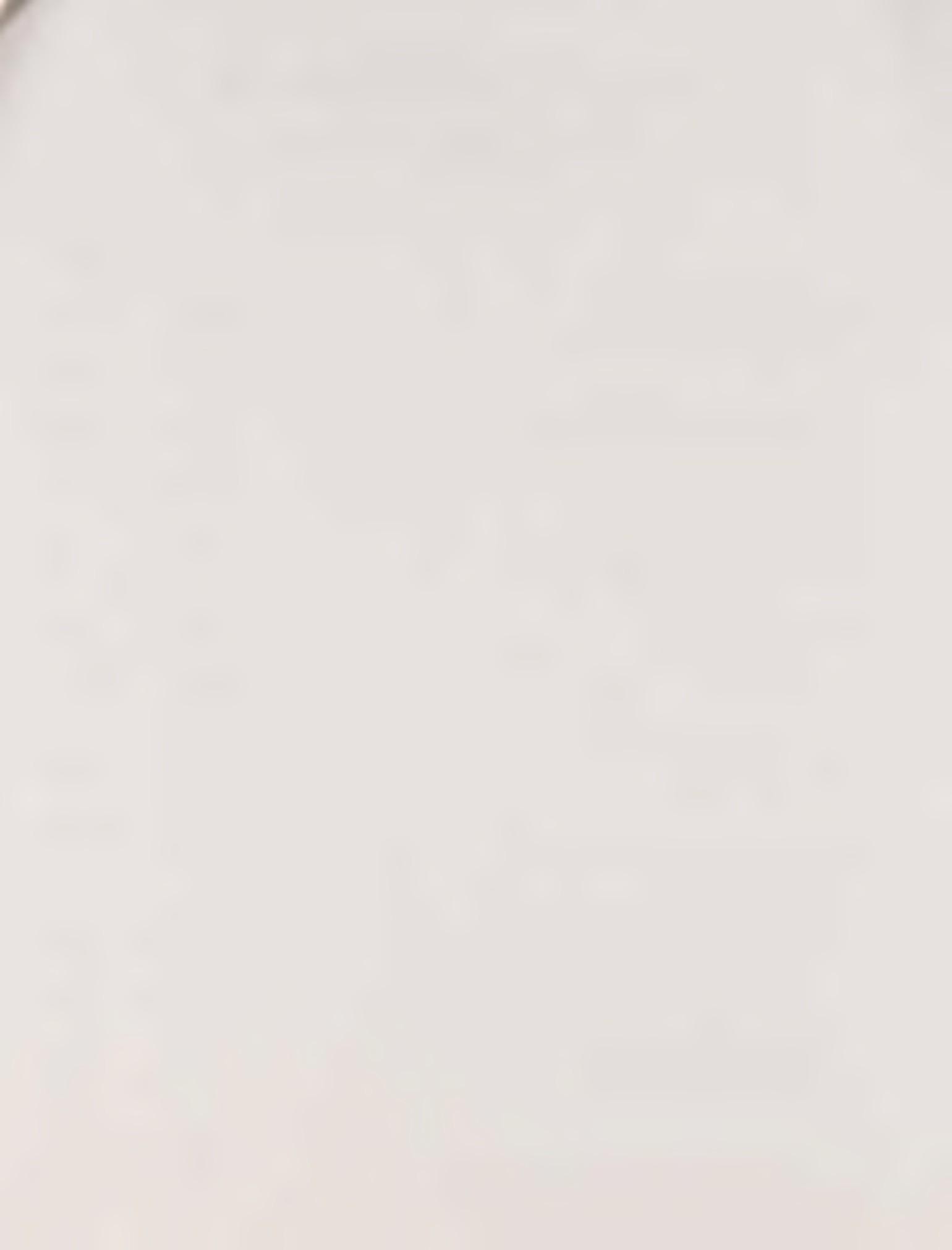
	<u>Comparative</u>	
	<u>1992</u>	
Balance beginning of year	\$(21,436)	\$ 78,046
Net income (loss) for year	227,455	(99,482)
Appropriation of surplus for future disciplinary costs (Note 5)	(150,000)	
Balance end of year	<u>\$ 56,019</u>	<u>\$(21,436)</u>



Board of Funeral Services  
(Under the Funeral Directors and Establishments Act, 1989)

Statement of Changes in Financial Position  
Year ended October 31, 1993

	Comparative 1992	
<b>Cash provided by operations:</b>		
Net income (loss) for year	\$227,455	\$(99,482)
Items not affecting working capital:		
Depreciation	<u>13,057</u>	11,051
Working capital from operations	240,512	(88,431)
Net change in non-cash working capital	<u>89,058</u>	<u>(7,911)</u>
Cash provided from (used in) operations	329,570	(96,342)
<b>Cash invested:</b>		
Fixed asset (additions) disposals - net	(20,057)	90
Depreciation recapture - sale of fixed asset		<u>(126)</u>
Increase (decrease) in cash	309,513	(96,378)
Cash at beginning of year	<u>58,971</u>	<u>155,349</u>
Cash at end of year	<u>\$368,484</u>	<u>\$ 58,971</u>
<b>Cash at end of year represented by:</b>		
Cash	\$ 42,758	\$(16,661)
Certificates of deposit	<u>325,726</u>	<u>75,632</u>
	<u>\$368,484</u>	<u>\$ 58,971</u>
<b>Net change in non-cash working capital:</b>		
Increase (decrease) in:		
Current assets:		
Accounts receivable	\$ 5,189	\$ 5,487
Prepaid expense	<u>2,547</u>	<u>1,522</u>
	<u>7,736</u>	<u>7,009</u>
Current liabilities:		
Accounts payable and accrued liabilities	41,182	(16,452)
Deferred licence fee revenue	55,722	15,206
Payroll and sales taxes payable	<u>(110)</u>	<u>344</u>
	<u>96,794</u>	<u>902</u>
Net increase (decrease) in non-cash working capital	<u>\$(89,058)</u>	<u>\$ 7,911</u>



Board of Funeral Services  
(Under the Funeral Directors and Establishments Act, 1989)

Notes to Financial Statements  
Year ended October 31, 1993

1. Accounting policy:

Depreciation:

Depreciation on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are being written off over the remaining term of the lease.

	<u>Comparative</u> <u>1992</u>	
2. Committees expense:		
Compensation	\$ 171	\$ 56
Discipline and complaints	12,734	10,357
Licencing	<u>5,979</u>	<u>4,650</u>
	<u>\$ 18,884</u>	<u>\$15,063</u>

3. Lease commitments:

The Board rents office equipment under a long-term operating lease which expires October 1, 1994. Office space is leased under a long term agreement which expires March 31, 1996. Autos are leased for the inspectors and the expiry dates of the leases are July 1995 and October 1995. Future minimum rental payments under the leases with initial or remaining terms of one year or more consisted of the following at October 31, 1993:

1994	\$ 54,883
1995	52,945
Thereafter	<u>21,570</u>
Total minimum lease payments	<u>\$129,398</u>

4. The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund which was established under the Funeral Directors and Establishments Act, 1989.

5. Appropriation of surplus:

In recognition of some uncertainty concerning unanticipated legal and hearing costs for the disciplinary process, the Board has appropriated from surplus \$150,000 to offset such possible future expenditures.



Prearranged Funeral Services Compensation Fund  
(Under the Funeral Directors & Establishments Act. 1989)

Year ended October 31, 1993

Contents

Auditors' Report	1
Balance Sheet	2
Statement of Income and Expense	3
Statement of Surplus	4
Notes to the Financial Statements	5 & 6



N. S. WRIGHT, C.A.  
J. R. MAYHUE, B.COM.,C.A.

HARRIS & WRIGHT  
CHARTERED ACCOUNTANTS  
TELEPHONE 924-1137  
FAX: 924-2523

SUITE 307, 40 ST. CLAIR AVENUE EAST  
TORONTO, ONTARIO M4T 1M9

Auditors' Report to the Members of the  
Compensation Fund Committee of the Prearranged  
Funeral Services Compensation Fund

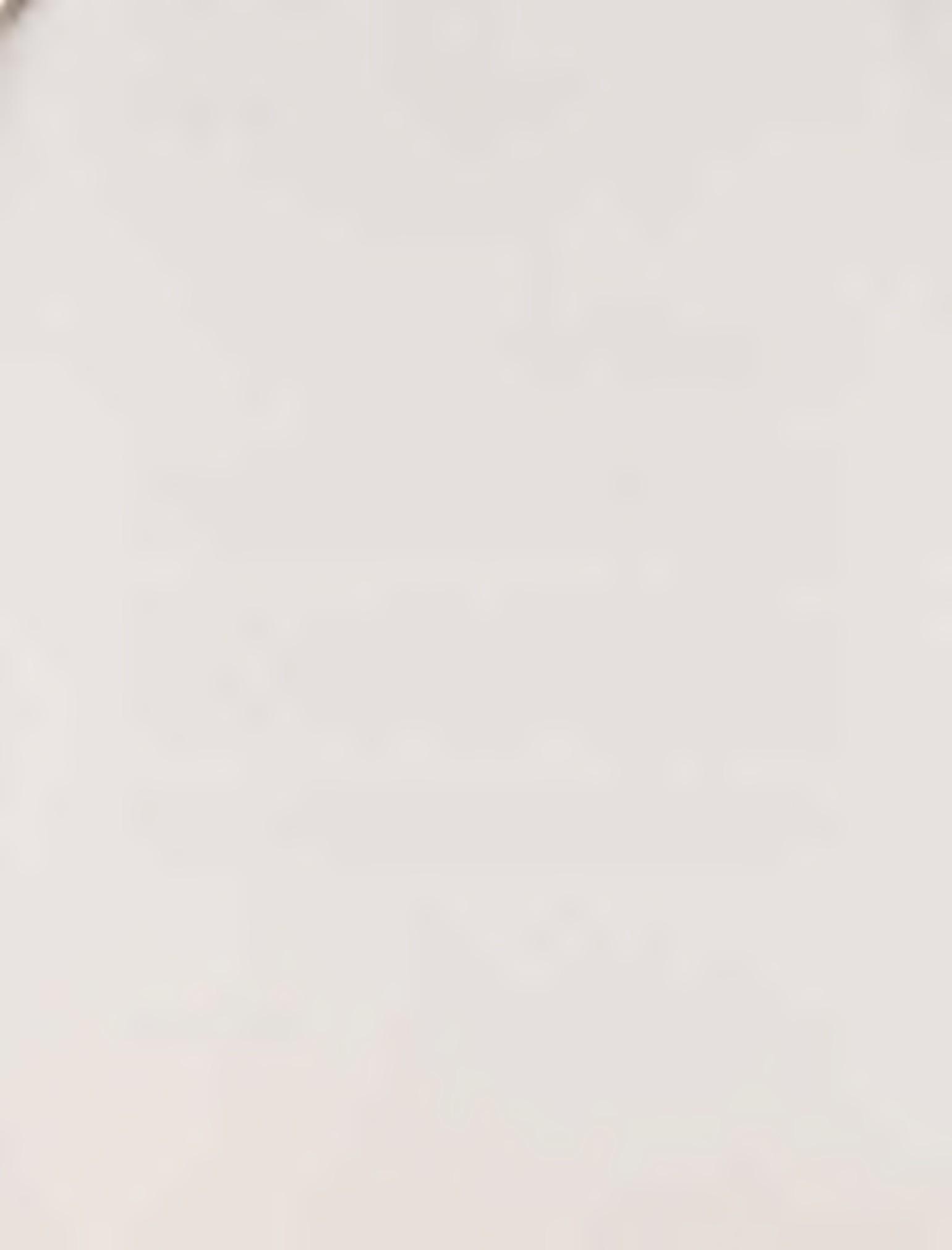
We have audited the balance sheet of the Prearranged Funeral Services Compensation Fund as at October 31, 1993 and the statements of income and expense and surplus for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects the financial position of the Fund as at October 31, 1993 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Toronto, December 10, 1993

Chartered Accountants



**Prearranged Funeral Services Compensation Fund**  
**(Under the Funeral Directors & Establishment Act. 1989)**

**Balance Sheet**  
**October 31, 1993**

**Comparative**  
1992

**ASSETS**

**Current assets:**

**Cash:**

Toronto Dominion Bank	\$ 623	\$ 4,999
Canada Trust	1,602	1,111
Interest receivable	13,763	
Sundry	150	

16,138                  6,110

**Investments - at cost (Note 4)**  
 (market value \$1,066,007)

993,567                  652,732

\$1,009,705                  \$658,842

**LIABILITIES**

**Current liabilities:**

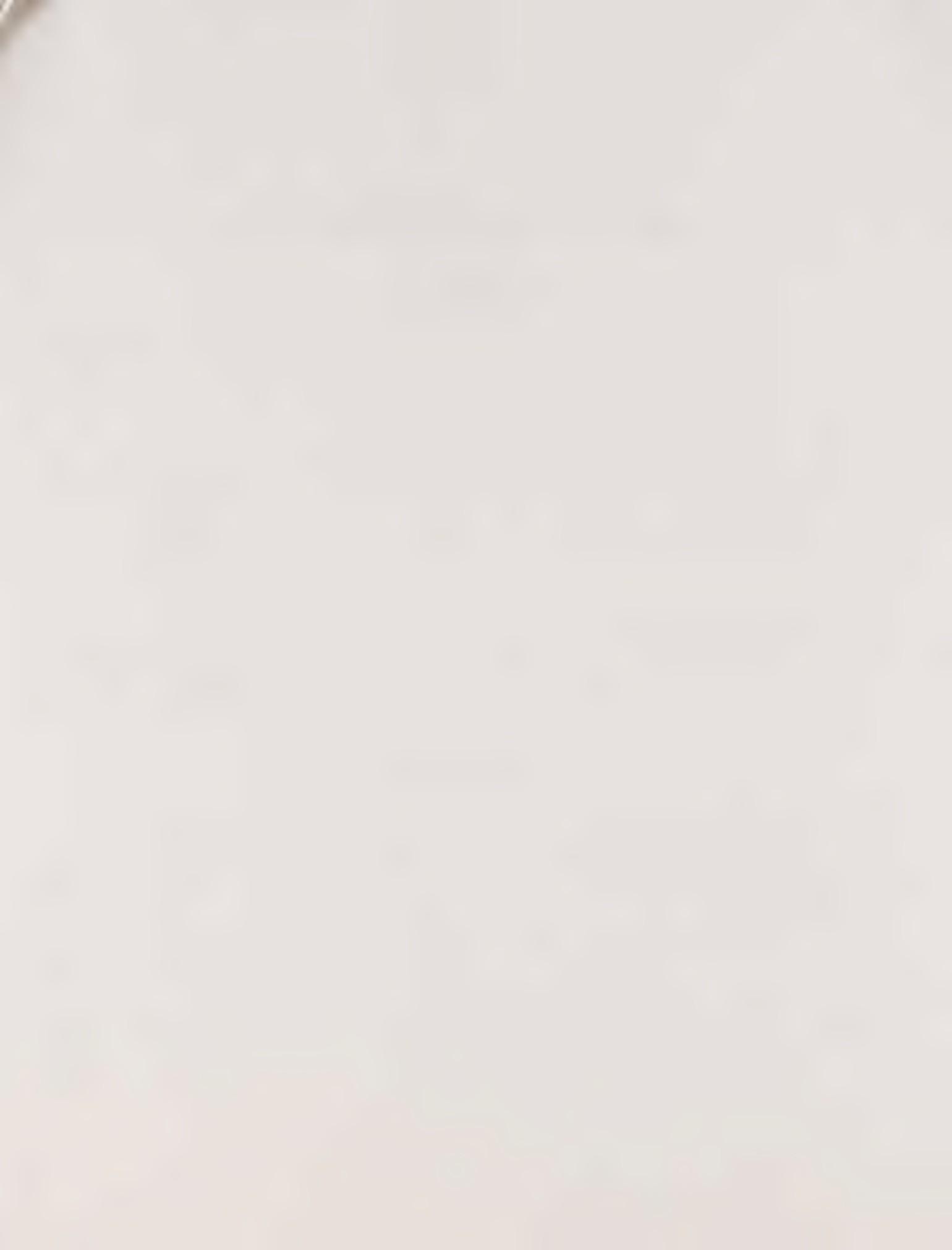
Accrued compensation payments	\$ 110,660	
Accrued trust administration fee	745	\$ 638
Accrued administration costs	3,000	3,000
Accrued audit fee	1,500	1,100
Sales tax and sundry	145	

116,050                  4,738

**Surplus**

893,655                  654,104

\$1,009,705                  \$658,842



Prearranged Funeral Services Compensation Fund  
(Under the Funeral Directors & Establishments Act. 1989)

Statement of Income and Expense  
Year ended October 31, 1993

Comparative  
1992

**Income:**

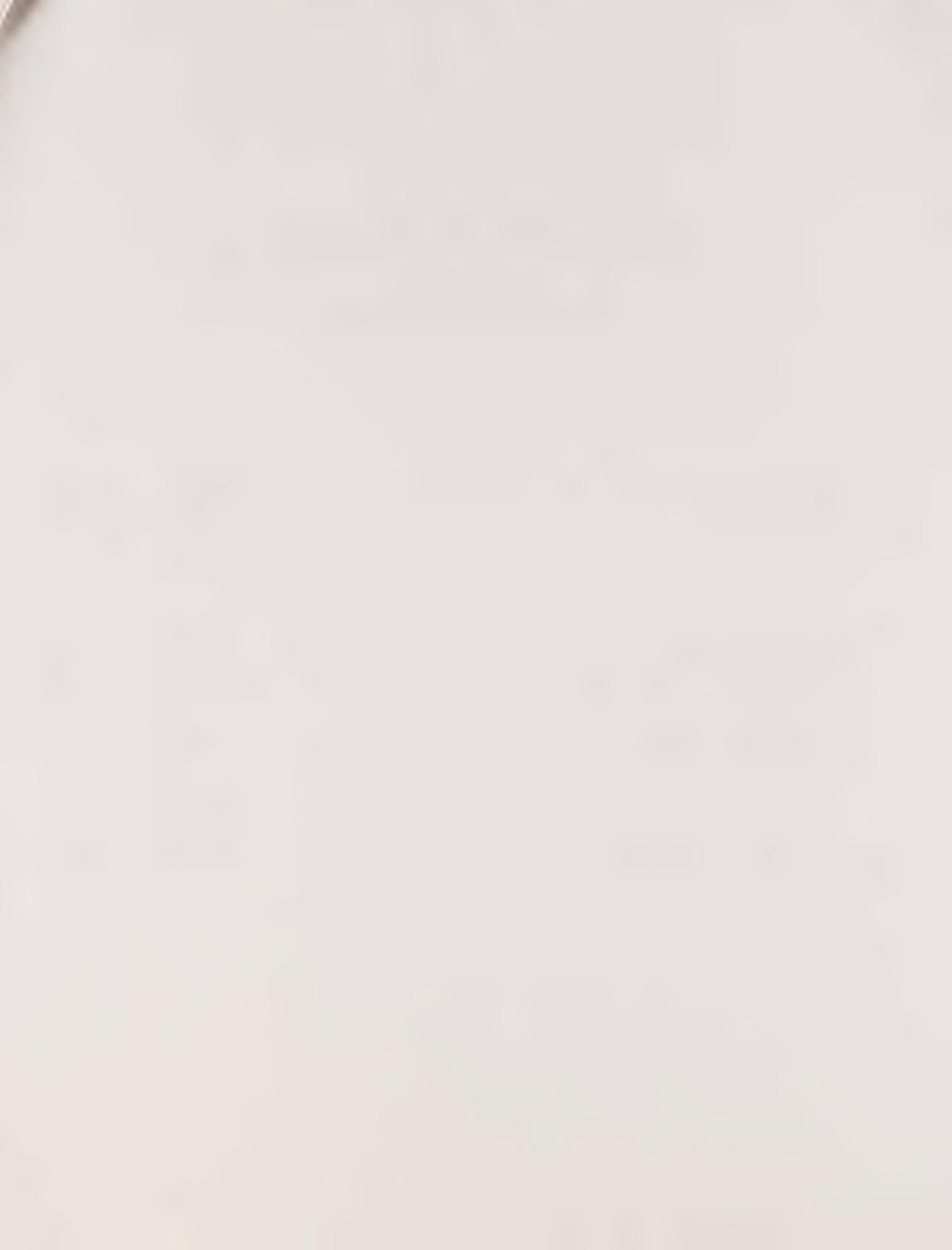
Levies and initial payments	\$373,695	\$364,800
Investment income	<u>76,391</u>	<u>37,301</u>
	<u>\$450,086</u>	<u>\$402,101</u>

**Expense:**

Administration costs	\$ 6,000	\$ 6,000
Prearranged funds compensated	193,783	146,690
Professional fees	2,769	2,391
Service charges	8	1
Trust administration fees	7,918	5,988
Sundry	<u>57</u>	
	<u>\$210,535</u>	<u>\$161,070</u>

Excess of income over expense

\$239,551      \$241,031

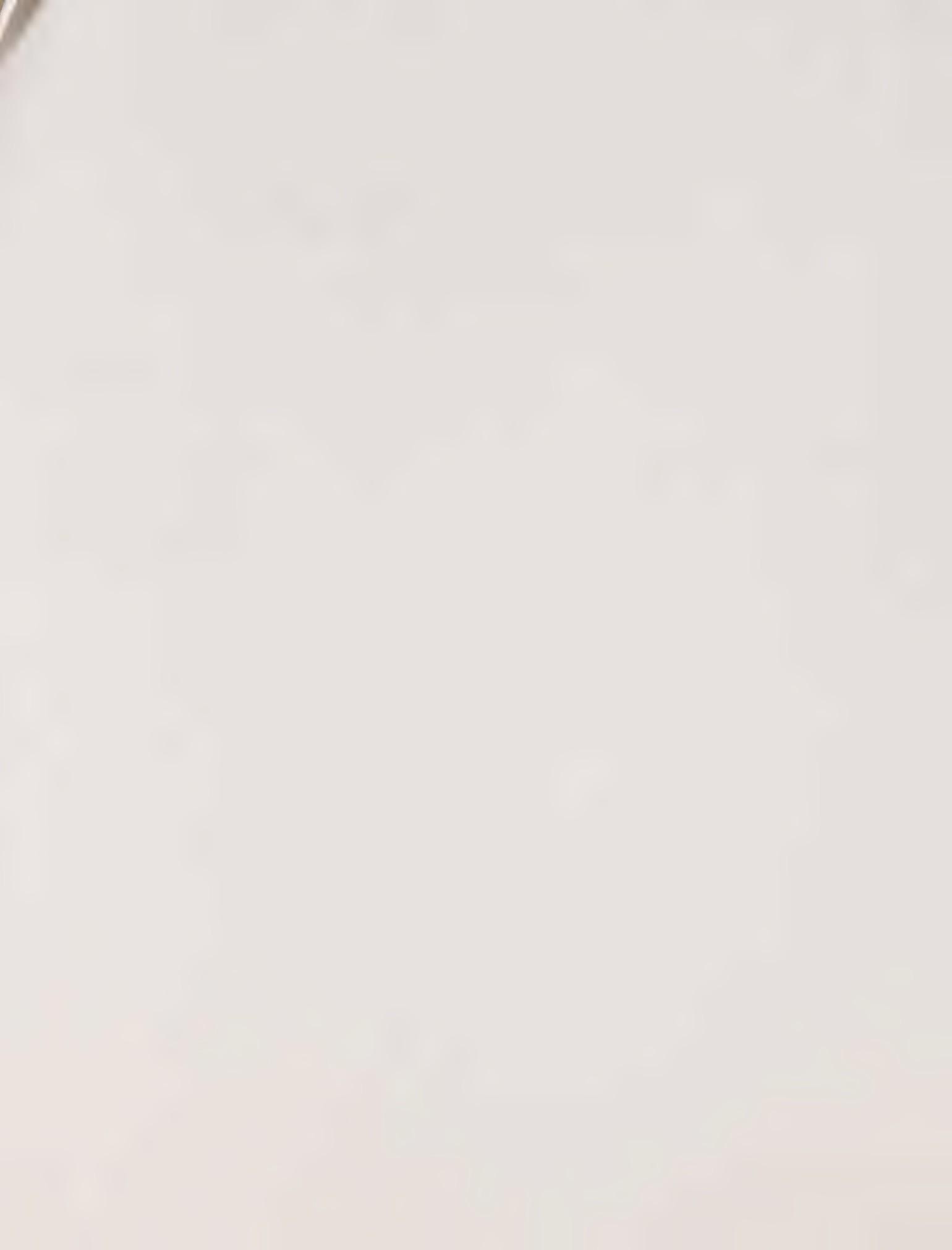


Prearranged Funeral Services Compensation Fund  
(Under the Funeral Directors & Establishments Act. 1989)

Statement of Surplus  
Year ended October 31, 1993

Comparative  
1992

Balance beginning of year	\$654,104	\$413,073
Excess of income over expense	<u>239,551</u>	<u>241,031</u>
Balance end of year	<u>\$893,655</u>	<u>\$654,104</u>



Prearranged Funeral Services Compensation Fund  
(Under the Funeral Directors & Establishments Act, 1989)

Notes to the Financial Statements  
Year ended October 31, 1993

1. Significant accounting policies:

The Compensation Fund follows accounting principles generally accepted in Canada in preparing its financial statements.

2. The Compensation Fund was established November 1, 1990 under the Funeral Directors & Establishment Act. 1989 (Ontario) to compensate misappropriated prearranged funeral services deposits. The affairs of the Fund are managed by the Compensation Fund Committee whose members are appointed by the Board of Funeral Services. All monies received from participants and all income on any such money is held in trust for the benefit of such of the holders of claims as The Committee may in its discretion approve. Fees shall be levied to bring the Fund up to \$1,000,000 and if in future the book value of the Fund falls below or is anticipated to fall below \$500,000 additional contributions shall be levied to replenish the Fund. The Fund is expected to reach the limit during its next fiscal year.
3. Statement of changes in financial position:

A statement of changes in financial position has not been prepared since its would not provide additional information to the reader of the financial statements.



**Prearranged Funeral Services Compensation Fund**  
**(Under the Funeral Directors & Establishments Act, 1989)**

**Notes to the Financial Statements**  
**Year ended October 31, 1993**

**Comparative**  
**1992**

**4. Investments - at cost:**

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	
Canada Treasury Bill	4.234	11/10/93	\$ 19,914
Canada Treasury Bill	4.226	11/18/93	59,412
Canada Treasury Bill	4.339	1/20/94	46,485
Canada Treasury Bill	6.113	1/21/93	\$ 91,416
Government of Canada Bond - A3	7.750	7/15/94	29,737
Government of Canada Bond - A56	6.250	2/01/98	71,175
Government of Canada Bond - A57	7.250	6/01/03	28,725
Province of Alberta - CI	7.750	2/04/98	24,850
Province of British Columbia	9.500	1/09/12	49,700
Province of Ontario Savings Corp.	7.500	1/28/95	20,000
Province of Ontario Savings Corp.	7.750	1/28/96	20,000
Province of Ontario - G.I.C.	9.000	10/11/95	30,000
Province of Ontario - G.I.C.	9.250	10/18/96	30,000
Province of Saskatchewan	8.125	2/04/97	24,938
Province of Saskatchewan	8.750	6/01/01	75,675
Ontario Hydro Global	9.000	4/16/02	73,725
Ontario Hydro - Series DH9	9.625	8/03/99	25,000
Ontario Hydro Electric	10.250	4/04/09	24,838
Municipal Finance Authority of B.C.	7.800	1/12/03	30,000
BCE Inc. - non convertible	8.500	1/31/97	50,063
T.D. Bank	8.000	12/15/03	24,905
Nova Scotia Power Inc. - Red 1st Pfd. Ser. A - convertible - 1,000 shares	-		25,000
Common Trust Fund - Equities 5,249.18 units (2,500.00 - 1992)	-	-	121,022
Common Trust Fund - Foreign Equity - 3,010.941 units (4,000.00 - 1992)	-	-	37,403
Common Trust Fund - Money Market Fund - 5,100.00 units	-	-	51,000

3 1761 11468449 1

